

Date: January 8, 2013

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Reginald J. Johnson, Director
Department of Community Development
Subject: FY 2013- 2014 Emergency Solutions Grant and City General Funds
Housing for New Hope, Inc. Subrecipient Contract
Rapid Re-Housing Services

Executive Summary

On May 7, 2012, City Council approved the Substantial Amendment to the FY 2011-2012 Annual Action Plan and the FY 2012-2013 Annual Action was approved at Work Session on May 10, 2012 to receive \$304,873.00 in Emergency Solutions Grant (ESG) and City's General Funds (GF). These funds will address housing instability and homelessness in the City of Durham. The Department of Community Development issued an application solely for homelessness prevention and rapid re-housing activities on September 10, 2012 with responses due by October 16, 2012. One application was received from Housing for New Hope, Inc. (HNH) to provide rapid re-housing activities in the City of Durham for the eligible amount \$279,554.00. The HNH application requested funding for both direct service support (case management and administration) and financial assistance to homeless households. In addition, no applications were received for homelessness prevention services. Therefore, the remaining funds of \$25,319.00 for homelessness prevention services was re-advertised in the FY 2013 – 2014 Funding Application process but no one applied. DCD recommends that the remaining ESG prevention funds be awarded to HNH and that organization has agreed to administer the funds.

Recommendation

The Department of Community Development (DCD) recommends that the City Council authorize the expenditure of \$79,554.00 in Emergency Solutions Grant funds and \$200,000.00 in City General funds and authorizes the City Manager to execute a contract with Housing for New Hope, Inc. in the amount of \$279,554.00 to provide financial assistance to households experiencing homelessness.

Background

In the past three (3) years, HNH operated two Rapid Re-housing grants, one through the North Carolina Department of Health and Human Services and the other via a subcontract with Durham County Department of Social Services through the Community Development Department of the City of Durham. Through their efforts, HNH established the pilot program, developed protocol, built relationships with landlords and successfully re-housed numerous households in Durham. HNH has the knowledge, expertise and dedication to provide these services to address the ongoing homeless issues in the City of Durham.

Currently, HNH's Transition to Permanence (TOPs) is a city-wide collaborative to restart the rapid re-housing program that was initiated under the City of Durham's Homelessness Prevention and Rapid Re-housing Program (HPRP). The ESG and general funds will be spent to offer short-term (3-months) and medium term (3 – 12 months) support to households for rental and utility assistance in obtaining permanent housing. HNH determines need through a "Barriers to Housing" assessment tool which includes verification of income. Financial support is initially authorized for a maximum of three months, after which the household is reassessed to determine the need for an additional three month increment. Through TOPs, HNH will serve at least 45 homeless family households and at least 35 single households to identify, secure, and to maintain permanent housing. Therefore, HNH will continue to utilize partnerships and relationships that have been fostered through the previous HPRP work and through the Continuum of Care along with the Council to End Homelessness in Durham.

Issues/Analysis

With the lingering effects of the recession, the need to eradicate homelessness remains. Under the HPRP program (January 2010 – August 2012), HNH assisted more than 173 homeless households in obtaining permanent housing. ESG and City GF funding will allow HNH to re-establish rapid re-housing services for homeless individuals and families. Over a period of one year, HNH will assist at least 80 households who are experiencing homelessness in obtaining permanent housing. The GF and ESG funds (\$279,554.00) for this project will be used as follows:

- \$185,000.00 for direct rent and utility assistance;
- \$73,588.00 for direct case management services at the rate of \$919.85 per household (The number of clients served divided by total allocation of direct case management services that determines the rate per client); and
- \$20,966.00 for administrative costs.

HNH has pledged \$275,319.00 in additional funding from private sources to match the City's funds which is a requirement of this program.

Specific case management services provided by HNH include needs assessment, locating housing, negotiations with landlords, budget development, "Ready to Rent" workshops, connections to employment opportunities and supportive services, moving assistance, furniture, transportation and follow-up visits.

If HNH is successful in meeting performance goals, the contract may be renewed for an additional year subject to the appropriation of GF and Council's approval of the contract renewal. The intent of the provision for contract renewal is to ensure continuity in assistance to the households being served.

An approval of the HNH subrecipient contract is necessary in order to meet the ESG FY 2011-2012 two (2) year funding commitment. Therefore, the recommended subrecipient contract must be executed on or before February 28, 2013 in order to meet the federal requirements of the Department of Housing and Urban Development (HUD). In the event that City Council does not approve this contract a portion of ESG funds in the amount of \$47,969.00 will be returned to HUD.

Alternatives

One alternative to contracting with the HNH is rejecting their application and seeking another agency to provide rapid re-housing assistance. However, since HNH was the sole respondent to the application process, rejecting the proposal of a qualified respondent may make the search for another organization even more difficult. In addition, addressing homelessness is one of the City's priorities.

Financial Impacts

ESG and the City General funds are budgeted and available for this project.

SDBE Summary

SDBE requirements are not applicable.